

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

WILLARD L. SLOAN, EUGENE J.
WINNINGHAM, and JAMES L. KELLEY,
on behalf of themselves and a similarly
situated class,

Plaintiffs,

Case No. 09-cv-10918
Hon. Paul D. Borman
Magistrate Mona K. Majzoub

v.

Class Action

BORGWARNER, INC., BORGWARNER
FLEXIBLE BENEFITS PLANS and
BORGWARNER DIVERSIFIED
TRANSMISSION PRODUCTS, INC.,

Defendants.

EXHIBIT 19

TO

**PLAINTIFFS' MOTION
FOR SUMMARY JUDGMENT
AS TO LIABILITY**

Enrollment Information for Individuals Not Yet Eligible for Medicare

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piled
retirees
were
2/10/9

Your Retiree Health Care Travel Guide

February 2009

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BorgWarner
Pre-Medicare Health
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2009 Enrollment: BorgWarner DTP Pre-Medicare Health Care Coverage

Your Pre-Medicare health care plan is changing. This newsletter summarizes important changes to your benefits effective May 1, 2009. Please read it to ensure appropriate action is taken should you wish to continue retiree health care coverage.

You and your qualifying dependents are eligible to continue BorgWarner medical and prescription drug coverage until reaching age 65 as members of the Pre-Medicare Retiree Plan. Effective May 1, 2009, BorgWarner DTP will require you to update your enrollment information annually.

This newsletter reviews coverage for retirees and

qualifying dependents who are not yet eligible for Medicare. It gives you a summary of the information you need to know about what's new, an overview of the plans available, what you should consider before making your decisions, and how and when to enroll.

ENROLL By April 1st

Don't miss the chance to have health care coverage for the remainder of 2009! Unlike previous years, this year you **MUST** complete and submit the enrollment form by April 1st or you and members of your household who are not eligible for Medicare will not have health care coverage effective May 1, 2009.

What's New for 2009?

Cost-Sharing Approach

The biggest change for pre-Medicare health care benefits is the way you and BorgWarner DTP will share in the costs.

Beginning May 1, 2009, there will be two contribution levels based upon the retiree's years of service. Each member's (retiree, spouse, children) share of the costs will be either 10%

or 15% of the annual premium cost. The dollar amount of the retiree contributions is shown on the 2009 Open Enrollment Form included in this packet.

This change provides greater uniformity among our retirees, while still recognizing the exceptional loyalty of retirees with 25 or more years of service.

(Continued on page 2)

Take the Wheel

Benefits for the Road Ahead

For Monthly Pre-Medicare Retirees

BorgWarner

Diversified Transmission Products Inc.

DTP
E-90

Take the Wheel

Benefits for the Road Ahead

What's New for 2009? *(continued from page 1)*

With this change, retirees will pay a greater portion of the cost than before. BorgWarner's 85% – 90% portion of the total plan cost continues to be substantially more economical for you than the average retiree medical plan. Among companies that continue to provide this benefit, the average retiree contribution is currently 41% of the cost.¹ In fact, more than one quarter of companies offering retiree coverage require retirees to pay between 60% and 100% of the full premium.

Uniform Plan Options

We are consolidating the variations of the health care plans to two health care plans at Anthem and Lumenos which mirror those offered to Muncie salaried employees. Furthermore, the **CIGNA vision plan that had been offered to you will end April 30, 2009.** Fewer plans to administer results in savings for everyone. See page 5 for plan highlights.

You will receive a new ID card in late April. You will have one ID card for both medical and prescription drug coverage. **Be sure to show your new ID card to all your providers for services after April 30, 2009.**

Muncie Insurance Office

As you know, the BorgWarner Muncie Plant will close upon the expiration of the collective bargaining agreement in April 2009. The Muncie Plant Insurance office will remain open for a period of time. When the office closes, you will be notified of any new contact information.

Premium Collection

The Muncie Retiree Service Center will administer the collection of health care premiums. Payment options, including Direct Debit Authorization and payment coupons, will be mailed to you in April.

Payments are due on the first of each month for that month's coverage. For example, payment for coverage for the month of May is due by May 1, 2009. Payments for partial months will not be accepted. You may pre-pay for future months up to the end of the calendar year.

If you don't pay by the first of the month, your coverage will be suspended for 30 days; however, your coverage will be retroactively reinstated if your payment is received during the 30-day grace period. If

Who Can You Contact for Assistance?

General Enrollment

- Muncie Retiree Service Center (Premiums) 1-866-201-3995
- Muncie Plant Insurance Office 1-765-286-6642
 - Office Hours: Tuesday & Thursday
 - 7:30 to 11:30; 12:30 to 4:30

Medical and Drug Coverage

- Anthem** www.anthem.com
- Provider, claim and health information 1-800-530-8481
 - RX prescription drug 1-800-962-8192
- Lumenos** www.Lumenos.com
- (A division of Anthem) 1-888-224-4835

BorgWarner Family Pharmacy

- www.borgwarnerRX.com
- Retail and mail order prescription drug service—4005 Kilgore Avenue
 - 1-765-286-6337

Retiree Coordinator—Medicare Plan Assistance

United Health Care

- Plan information when turning 65: 1-800-929-2300

All information in this newsletter can be found at
www.BorgWarner.com/MuncieRetirees

¹ Retiree Health Benefits Examined. Kaiser/Hewitt, December 2006.



payment is not received by the end of the grace period, your coverage will be cancelled and cannot be reinstated. **For the month of May, we will extend the payment deadline to May 15th.**

You will have two premium payment options:

- You may have your monthly payment deducted directly from the checking or savings account of your choice. Premiums will be deducted from your account the first of each month for that month's coverage (i.e., May 1, 2009 for May's coverage). If the first falls on a bank holiday or a non-business day, your payment will be deducted on the following bank business day. Or;
- You may send your check or money order with a payment coupon to the premium service center for processing.

Look for information and payment coupons from our retiree premium service center to arrive in April.

What You Need to Consider

Before you enroll, there are a number of key things to consider:

- ☐ Determine whether the Anthem PPO or Lumenos HRA best fits your needs for the upcoming year.
- ☐ Understand that enrollment in the Pre-Medicare Retiree Health Plan is by member instead of by household as of May 1, 2009.
- ☐ Anticipate how to budget for your share of the contribution costs for 2009.
- ☐ Recognize that as you approach Medicare eligibility, you'll need to understand your Medicare options and how the Retiree Reimbursement Account (RRA) works.

How to Enroll

1. Read this brochure to learn about your benefit options.
2. Fill in your enrollment form (enclosed) to make your elections.
3. Make sure the dependents listed on your enrollment form are still eligible dependents. If you have any changes to your dependent information, write your updates in the appropriate area of the form.
4. Make a copy of your completed enrollment form for your records.
5. Mail the completed enrollment form (and any required dependent documentation) to BorgWarner Insurance Office, 5401 Kilgore Avenue, Muncie IN 47304 (**must be postmarked by April 1**).



You Must Enroll

You must actively enroll to have coverage for 2009. Your current BorgWarner DTP coverage ends April 30th.

If you do not submit the enrollment form by April 1, you and any dependents who are not eligible for Medicare will not have health care coverage for the remainder of 2009!

Timetable for Retiree Health Care Benefits

2009

Now — April 1

- BorgWarner Pre-Medicare Enrollment Period
- Receive your combined medical/Rx ID card
- Send in your contribution payment for May 2009

May 1

Contribution and plan changes take effect

Take the Wheel

Benefits for the Road Ahead

Two Options for Medical Coverage

You can choose from two medical plans for 2009:

1. PPO Plan
2. NEW Health Reimbursement Account

PPO Plan

Under the PPO Plan, you can use any doctor or hospital you wish – but if you use in-network providers, you pay less and do not have to file claim forms.

After you meet your annual deductible, the plan covers 80% for in-network expenses (70% for out-of-network expenses), up to your out-of-pocket maximum. Then the plan pays the rest of your eligible medical expenses for the remainder of the year.

Lumenos Health Reimbursement Account (HRA)

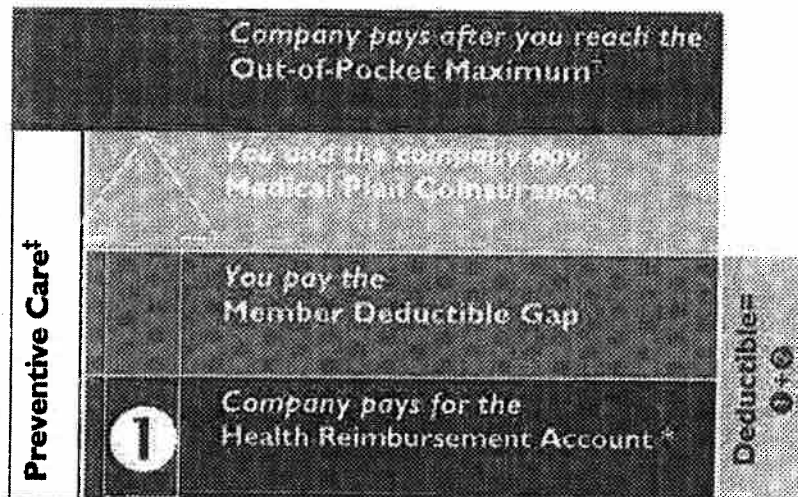
Administered by a division of Anthem, this medical option gives you the flexibility and choice to manage your own health care spending. It works like most medical plans—with one very important difference. This plan features a company-paid Health Reimbursement Account (HRA).

Each year, BorgWarner DTP credits an amount to your HRA account. You determine how your fund dollars are spent – and stretch your fund

by seeking the most cost-effective care. This could mean choosing an in-network provider rather than an out-of-network provider, seeking treatment on an out-patient basis instead of in-patient. The wiser your health care choices are, the more money you may save.

If you don't use all the credit in your HRA during the year, it

automatically rolls over to help pay for your expenses next year. It's like a savings account for health care. If you spend all the money in the HRA, you pay the remaining deductible before plan benefits begin. See page 6 for examples.

**How the HRA Works**

* For medical expenses only. Cannot be used for prescription drugs, dental or vision.

† Includes member deductible gap.

‡ Preventive care covered at 100% with no deductible.

- BorgWarner DTP credits a sum to your Health Reimbursement Account each year (\$650 single or \$1,300 family). Use the HRA to pay for your medical expenses, including your deductible. Once you spend all of the money in the HRA, you pay the remaining member deductible gap (\$850 single or \$1,700 family in-network). After you meet your deductible, you and the company pay coinsurance (80% / 20% in-network). Once you meet the out-of-pocket maximum (\$2,350 single or \$4,700 family in-network), the plan pays 100% of your eligible medical expenses.

BorgWarner

Highlights of 2009 Medical Coverage

	2009 PPO PLAN		2009 HRA	
	In-network	Out-of-network	In-network	Out-of-network
Deductible Per person / per family	\$400 / \$800	\$500 / \$1,000	\$1,500 / \$3,000	\$1,500 / \$3,000
Company-paid HRA Per person / per family	None		\$650 / \$1,300	
Member Gap (Deductible – HRA) Per person / per family	Not Applicable	Not Applicable	\$850 / \$1,700	\$850 / \$1,700
Out-of-Pocket Maximum Per person / per family	\$1,500/\$3,000	\$3,000 / \$6,000	\$2,350 / \$4,700	\$5,350 / \$10,700
Lifetime Maximum	Unlimited		Unlimited	
Coordination of Benefits	Maintenance of Benefits – Plan pays up to the Anthem allowed amount		Maintenance of Benefits – Plan pays up to the Lumenos allowed amount	
Office Visit Doctor Specialist	80% after deductible	70% after deductible	80% after deductible	70% after deductible
Preventive Care New in 2009!	80% no deductible up to \$300 per yr.	70% after Deductible up to \$300 per yr.	100%, no max	100% no max
Inpatient Services	80% no deductible	70% no deductible	80% after deductible	70% after deductible
Outpatient Services (no deductible if surgery performed)	80% after deductible	70% after deductible	80% after deductible	70% after deductible
ER & Urgent Care (1) Physician Office (2) Hospital ER (3) Urgent Care Center	(1) 80% after deductible (2) 80% no deductible (3) 80% no deductible	(1) 70% after deductible (2) 80% no deductible (3) 80% no deductible	(1) (2) and (3) Paid 80% after deductible	(1) (2) and (3) Paid 70% after deductible
Chiropractic Care \$500 per calendar year maximum	80% after deductible	70% after deductible	80% after deductible	70% after deductible
Mental Health/ Substance Abuse Subject to calendar year and lifetime maximum	80% after deductible	70% after deductible	80% after deductible	70% after deductible

Take the Wheel

Benefits for the Road Ahead

Important Terms

Coinurance: The percentages you and the company pay toward your medical expenses. For example, 80% / 20% coinsurance means the company pays 80%; you pay 20%.

Consumer-driven health plan: Works like a traditional medical plan but encourages participants to take a more active role in health care purchasing decisions by offering health, cost and quality information plus an HRA to help pay the deductible. Our HRA is an example.

Copay: A flat dollar amount you pay for office visits.

Deductible: Dollar amount you pay before coinsurance begins. Copays and prescription drugs do not count.

Health Reimbursement Account (HRA):

Company-paid credit to help you pay for your deductible. Only available with the HRA plan.

Member deductible gap: The portion of the deductible you pay under the HRA.

Out-of-pocket maximum: The most you will pay each plan year for eligible plan expenses as outlined in the plan description. Premium payments do not count toward the out-of-pocket maximum.

Watch Your HRA Grow

The HRA is called a consumer-driven health plan for good reason. It puts you in the driver's seat when it comes to spending health care dollars. Under other plans, you may not even know how much your health care costs. But with the HRA, you get a **company-paid** Health Reimbursement Account (HRA) that not only helps you pay for your health care, but tracks your costs as well.

Every month, plan participants get statements showing their fund balance and how they've spent their HRA dollars. That's important, because if you spend your HRA fund wisely, you could end up rolling money over to help pay for your expenses next year.

For example, let's say you enroll in family coverage under the HRA. During your first year, you use only \$1,220 of your HRA. That leaves \$80 to add to your annual \$1,300 the company credits the next year. At the end of your second year, you have a \$710 balance to roll over for a total of \$2,010 to spend your third year. If you were then to have a major medical expense, your larger HRA balance would go a long way toward meeting your deductible and paying your medical bills.

	Year 1	Year 2	Year 3
HRA	BW contribution \$1,300	BW contribution \$1,300	BW contribution \$1,300
		Rollover + \$80 \$1,380	Rollover + \$310 \$1,610
Your Cost	Physical — \$0	Physical — \$0	Physical — \$0
	9 office visits — \$720	9 office visits — \$720	Surgery — \$5,000
	Urgent care — \$200	X-ray — \$150	Fund pays — \$1,610
	Therapy — \$300	2 specialist visits — \$200	You pay remaining member gap — \$1,390
Balance	Fund pays \$1,220	Fund pays \$1,070	20% coinsurance — \$400
	Rollover \$80	Rollover \$310	Balance \$0

Crunching the Numbers

How do you estimate how much your expenses will be next year? A good place to start is your medical bills from this year. Look at your old receipts or the Explanation of Benefits you received from your plan administrator. You can also find this information — as well as other useful information — at www.anthem.com.

BorgWarner

How to Use Your Health Care Benefits Wisely

No matter which plan you choose, be sure your doctors are in Anthem's Blue Access PPO network. Because provider networks are always changing, it's a good idea to check with your doctor's office to confirm. You'll get the highest level of coverage with network doctors -- and they'll take care of filing your claims for you. Just show your medical ID card.

If you need to go to the hospital, your in-network doctor will usually refer you to a participating hospital. However, it is a good idea to check with the facility to be sure that you will receive the highest level of coverage. If you need to be hospitalized, your provider will need to contact the utilization review program. The contact information can be found on your medical ID card. Be sure to share it with your provider.

In an emergency, you may not have the time or the ability to choose a network provider or hospital. In a life-threatening situation—such as a heart attack or serious car accident—use emergency services. For less severe injuries—like broken bones and fevers—call your doctor or go to an urgent care facility.

To find out if your doctors, specialists and hospitals are in Anthem's Blue Access PPO network, visit www.anthem.com or call Anthem at 1-800-530-8481.

In-Network Visits Cost Less

Both plans provide comprehensive coverage through a network of health care providers—including physicians, hospitals, specialists and other health care professionals—who provide quality medical services at lower negotiated rates.

You and your family may choose to see any health care provider you wish. However, the plan pays higher benefits when you seek the care of a provider within the provider network. If you choose to see a provider who is not part of the network, you will pay a greater portion of the cost.

100% Coverage for Preventive Care in HRA

An important part of being a good health care consumer is maintaining a healthy lifestyle and obtaining regular preventive care visits. The BorgWarner plans can help prevent health care problems before they arise. The HRA covers the full cost of preventive care, with no deductible to meet or copays to pay.

Covered preventive services are based on guidelines established by nationally-recognized sources, including the U.S. Preventive Services Taskforce, the American Cancer Society, and the American Academy of Pediatrics (AAP). Some of the services covered under the

preventive care benefit are listed below. For more detailed descriptions, visit www.ahrq.gov or www.aarp.org.

Examples of covered preventive care services:

- Preventive care physicals, including certain testing
- Annual gynecological exam, including pap smear, pelvic and breast exams (according to age guidelines)
- PSA blood tests (prostate exam)
- Flexible sigmoidoscopy

Take the Wheel

Benefits for the Road Ahead

**Key Points to Remember!**

Beginning May 1, 2009,

- Your prescription drug plan will be Anthem.
- You may use the BorgWarner Family Pharmacy for a 30 or 90-day supply of medications. Mail order service is also available.
- Use your new ID card at the pharmacy.

Generic Drugs Save Money

Using generic drugs can save money for everyone. That's why your prescription benefit is designed to be most cost-effective for you when you elect a generic medication.

You always have the option to purchase brand-name prescriptions; however, you will pay more out-of-pocket.

Generic medications are less-expensive copies of brand-name medications. They contain the same active ingredients and have the same quality, strength and purity as the brand-name medications they copy. When your doctor prescribes a medication, always ask if a generic alternative is available.

Prescription Drug Coverage

Both plan's prescription drug benefits are insured and/or administered by Anthem and the BorgWarner Family Pharmacy. There are no deductibles or out-of-pocket maximums for the prescription drug plan. That means coverage begins with your first prescription.

If you currently have Express Scripts prescription drug coverage, any open refills on your current prescriptions will automatically be transferred to Anthem mail order service effective 5/1/09. Simply call 1-800-962-8192 and state you need to refill a prescription that has been transferred.

Both Anthem and the BorgWarner Family Pharmacy offer retail pharmacy and mail order services. The table below describes the coverage for each option.

Network Retail Pharmacy

Use a retail pharmacy any time you need a prescription filled right away. Simply show your medical ID card at a network pharmacy, and pay your portion of the cost. The pharmacist will file your claim for you. Most national pharmacies are in the network.

Mail-Order Service

If you use a maintenance drug—for high blood pressure, for example—use the convenient mail-order service. Order up to a 90-day supply for one copay, and your drugs are delivered directly to your home for free. You can order refills over the phone or online.

RX Copays take effect May 1, 2009	Retail Pharmacy 30-day supply	Mail Order 90-day supply
BorgWarner Family Pharmacy		
Tier 1—Generic	\$6	\$12
Tier 2—Formulary	\$6 + 30%	28% up to \$75 per Rx
Tier 3—Non-Formulary	\$6 + 50%	50%
Retail Pharmacy		
Tier 1—Generic	\$8	\$16
Tier 2—Formulary	\$8 + 30%	30% up to \$75 per Rx
Tier 3—Non-Formulary	\$8 + 50%	50%



Looking Ahead:

What to Expect When You Become Eligible for Medicare

As in past years, when a retiree or eligible dependent of a retiree becomes eligible for Medicare, Medicare becomes the primary coverage for that individual.

Starting in May 2009, BorgWarner DTP will no longer provide coverage to supplement Medicare. Instead, the company will provide funds to help retirees pay for supplemental coverage now available from Medicare and private insurance companies.

Turning 65 in 2009? If your 65th birthday is in May 2009, you are eligible for Medicare beginning May 1, and will no longer be covered by the BorgWarner DTP pre-Medicare plans. If your 65th birthday is in June 2009, you should sign up now for your BorgWarner DTP Pre-Medicare plan for the month of May and also choose a Medicare plan for June 1st.

The decision to change the way benefits are provided to individuals who are Medicare-eligible responds to changes in legislation and the marketplace that now provide more and better options for coverage. And the tax-free Retiree Reimbursement Account (RRA) that BorgWarner DTP will provide, makes it possible for you to receive full value from the company's contributions.

In addition to funding an account for you, BorgWarner DTP also provides UnitedHealthcare as a Retiree Health Plan Coordinator to help you choose and enroll in Medicare health plan coverage. To

contact your coordinator, call **1-800-929-2300** or visit www.UHCmedicaresolutions.com/ BorgWarner.

Enrolling in Medicare

About 3 months before your 65th birthday, you'll receive a comprehensive package of information about your Medicare health plans and your RRA. At that time, you'll have the opportunity to work with the Retiree Health Plan Coordinator to explore the many plans that will be available to you.

Medicare eligibility will begin the first day of the month that includes your 65th birthday, and BorgWarner will begin making credits to your RRA that same month. Your BorgWarner DTP pre-Medicare coverage will end the last day of the month prior to your 65th birthday.

Because there are penalties for enrolling late in Medicare – and these penalties can cause a delay in coverage or require you to pay higher premiums for the rest of your life – you'll want to be ready to make your selections before your 65th birthday.

Timetable for Medicare

Now until age 65	<ul style="list-style-type: none"> • Talk with others about their Medicare decisions. • Contact the Retiree Health Plan Coordinator with Medicare questions. • Keep up-to-date on changes in the marketplace.
3 months before you turn 65	<ul style="list-style-type: none"> • Receive your Medicare information packet from BorgWarner DTP's Retiree Health Plan Coordinator (currently UnitedHealthcare). • Apply for Medicare Parts A & B – if you delay signing up for Part B, you will pay more for your required Part B premiums, based on the time period you were eligible for Medicare coverage and did not pay Part B premiums. • Talk with the Retiree Health Plan Coordinator for assistance with determining the type of medical and prescription drug coverage that is best for you. • Enroll in the Medicare medical and prescription drug health plan coverage you choose.
Age 65	<ul style="list-style-type: none"> • BorgWarner DTP medical and prescription drug coverage ends; Medicare coverage begins. • BorgWarner DTP begins making a monthly credit to your Retirement Reimbursement Account (RRA). If you are married, credits to your spouse's account begin when he or she becomes eligible for Medicare.

Take the Wheel

Benefits for the Road Ahead

Frequently Asked Questions (FAQs)

How can BorgWarner DTP change my retiree health care plan? Didn't we just win the right to stay in our old plan?

The recent court ruling only found that the benefit plan changes that were made in 2006 were not timely because a collective bargaining agreement was in effect. The court did not rule on the issue of whether changes could be made effective after the agreement's April 24, 2009 expiration date. BorgWarner DTP believes the agreements allow such changes.

Why is BorgWarner DTP changing its retiree health benefits program?

The company has a serious business need to address the steep health care inflation that has been affecting the entire country. The company has streamlined administration while providing a competitive benefit.

For individuals who are Medicare-eligible, the marketplace is quite different than it was just a few years ago. Medicare has added prescription drug coverage and approved a wide range of alternatives to traditional Medicare coverage.

BorgWarner DTP is providing Medicare-eligible retirees help to pay for coverage through a tax-free Retiree Reimbursement Account (RRA).

What will happen if BW DTP goes out of business?

The Retiree Health Care Plan, as all other health care plans, is not protected.

Do these retiree benefit changes affect my retiree Life Insurance?

No. If you qualified for a life insurance benefit when you retired, your benefit remains unchanged.

My spouse is working and I'm retired. If she loses her coverage, can she be covered under the BW DTP retiree plan?

As long as she was enrolled at the time of your retirement, she can be covered.

I'm not yet eligible for Medicare coverage, but I have some questions about Medicare. Can I call the Retiree Health Plan Coordinator?

Yes, at 1-800-929-2300.

How will I be notified once I am eligible for Medicare?

You will start receiving information from UnitedHealthcare about Medicare options about 3 months prior to the month you turn 65.

My spouse just turned 65 in February 2009. Did her coverage end?

No, she is covered until May 1, 2009 in the Muncie hourly retiree plans.

What happens if I don't enroll by April 1?

You and any members of your household who are not Medicare-eligible will have no BorgWarner-sponsored health coverage beginning May 1, 2009.

Who is a member? What if I have dependent children?

If you have children who were on your plan when you retired and meet the age/full time student rules, they are eligible to be enrolled as members of the Pre-Medicare plan. Beginning in May 2009, you will pay a monthly premium for each dependent in the Pre-Medicare plan.

I have a dependent not listed on the enrollment form. What do I need to do?

Only dependents covered at the time of your retirement are eligible. You may not add dependents after that time. If you have any changes to your eligible dependent information, attach your changes to the enrollment form.

My dependent is a full-time college student and doesn't live with me while at college. Is he still eligible for coverage?
Provided your dependent's principal residence is with you (and the college address is a temporary address used only during the school year), he or she is considered to have the same principal residence as you and would be eligible for coverage. If you have any questions about dependent eligibility, contact the Muncie Plant Insurance Office.

(Continued on page 11)

Take the Wheel

Benefits for the Road Ahead

**Frequently Asked Questions (FAQs) (continued from page 11)**

(see page 2).

I have a disabled dependent who is eligible for Medicare, but I did not know that he would no longer be eligible for BorgWarner DTP coverage. What do I need to do?

Contact the Retiree Health Plan Coordinator, UnitedHealthcare, at 1-800-929-2300, for assistance with plan options available to disabled dependents. You should apply for Medicare Part B by contacting Medicare.

If I change from the HRA to the PPO Plan, what happens to my unused HRA balance?

As long as you continue to be enrolled in the Lumenos HRA Fund, any unused HRA balance carries over to the next year. If you enroll in the PPO Plan, you will forfeit your unused balance, even if you re-elect the HRA in a future year.

I will become eligible for Medicare early in 2010. What happens to my unused HRA balance?

You can file claims for services provided during the period of your coverage under the HRA, but your unused HRA balance cannot be used for services provided after you become eligible for Medicare.

What is the cost schedule for future years for pre-Medicare coverage?

It will be determined on a year to year basis based on claim costs. If claim costs are high, the 10% or 15% will increase; if the costs are lower, your percentage share could decrease.

Will BorgWarner DTP send a cancellation notice of the healthcare plan, for example, when I turn 65?

When your coverage with Anthem or Lumenos ends, the carrier will issue a HIPAA notice to you.

This brochure provides a brief description of the health care benefits offered to BorgWarner pre-Medicare retirees and eligible dependents for 2009. For more details about your benefits, see the Summary Plan Descriptions available from your Retiree Service Center and at www.borgwarner.com/munciebenefits. This brochure and the materials that accompany it are not intended to include all program details. If there is a discrepancy between this brochure and the Summary Plan Descriptions or official plan documents for the program, the Summary Plan Descriptions and plan documents will govern. We expect this retiree health program will benefit our retirees for a long time into the future, but we reserve the right to change or end the program if it becomes necessary or appropriate for business, legal or other reasons determined by BorgWarner.